

## Message Text

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72

ACTION XMB-07

INFO OCT-01 ARA-16 ADP-00 AID-20 CIAE-00 EB-11 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 OPIC-12 CIEP-02 LAB-06

SIL-01 OMB-01 RSR-01 /091 W

----- 113665

R 012155Z AUG 73

FM AMEMBASSY SANTO DOMINGO

TO SECSTATE WASHDC 8571

USDOC WASHDC

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DEPT PASS EXIMBANK

E.O. 11652: N/A

TAGS: ENGR, ETRD, DR

SUBJECT: DOMINICAN ELECTRIC CORPORATION EX-IM APPLICATION

REF: (1) SD 2790

(2) STATE 070939

(3) O'CONNOR (EX-IM)/SKOL TELECON 31 JULY

1. DOMINICAN ELECTRIC CORPORATION ADMINISTRATOR JULIO SAURI HAS GIVEN EMBASSY COPIES OF APPLICATION, WITH SUPPORTING DATA, FOR EX-IM CREDIT FOR PURCHASE OF TWO GAS AND TWO THERMAL GENERATORS (PRELIMINARY COMMITMENT OF APRIL 14, 1973). THESE BEING POUCHED TO EX-IM (RENGERS).

2. AS INDICATED REF (1) SAURI REQUESTS INCLUSION IN FINANCING PACKAGE OF A TRANSMISSION LINE FROM SANTIAGO TO SANTO DOMINGO AND VALDESIA. HE ESTIMATES FOREIGN EXCHANGE COSTS OF LINE AT \$3.9 MILLION, WHICH, ADDED TO \$30.9 MILLION ESTIMATED U.S. COST OF THE FOUR POWER PLANTS MAINTAINS TOTAL \$35 MILLION COMMITMENT. SAURI TOLD EMBASSY OFFICER THAT HE WILL WELCOME DISCUSSIONS WITH POTENTIAL U.S. SUPPLIERS OF TRANSMISSION LINE EQUIPMENT AS SOON AS EX-IM APPROVES LOAN. HE HAS NOT YET PROVIDED DETAILED

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SPECIFICATIONS.

3. BOTH WESTINGHOUSE AND G.E. FORMALLY PRESENTED BIDS FOR THERMAL UNITS ON JULY 24. SELECTION OF A CONSULTING FIRM TO STUDY BIDS IS EXPECTED BY AUGUST 6. JUDGING SOLELY BY ANNOUNCED DOLLARS-PER-KILOWATT FIGURES, IT APPEARS THAT G.E. WILL PROBABLY WIN CONTRACT, RESULTING IN A SPLIT OVERALL, WESTINGHOUSE HAVING WON EARLIER BID ON GAS TURBINES. (NOTE: EMBASSY BELIEVES THAT IMAGE OF TWO U.S. COMPANIES FIGHTING FOR JULIO'S BUSINESS WAS MAJOR FACTOR IN KEEPING JAPANESE ET AL OUT OF THE PICTURE, SINCE SAUR CAN NOW FEEL FREE TO CLAIM (ACCURATELY) THAT BID PROCESS WAS GENUINE AND THAT COMPETITION BETWEEN THESE TWO FIRMS ASSURED BEST POSSIBLE PRICE.)

4. SUPPORTING DATA FOR EX-IM INCLUDES ESTIMATE THAT CORPORATION WILL BE SPENDING \$331.4 MILLION ON CONSTRUCTION PROGRAMS IN THE PERIOD 1973-1982 AS FOLLOWS: GENERATION \$191.8 MILLION; SUB-STATIONS 11.7; TRANSMISSION 21.6; DISTRIBUTION 8.7; RURAL

ELECTRIFICATION 11.5; AND MISCELLANEOUS 9.1. OF TOTAL, \$257 MILLION WILL BE USED FOR EQUIPMENT PURCHASES ABROAD. ESTIMATED LONG TERM CREDIT REQUIREMENT IN FOREIGN CURRENCY IS \$189.8 MILLION; THIS INCLUDES \$7.4 MILLION IDB RURAL ELECTRIFICATION LOAN AND THE EX-IM CREDIT NOW UNDER CONSIDERATION. PERTINENT SECTIONS OF SUPPORTING DATA PORTFOLIO ALSO BEING FURNISHED TO COMMERCE (BIC/OED/MEPD) AND STATE (ARA/CAR/DR).  
MELOY

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## Message Attributes

**Automatic Decaptioning:** X  
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**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
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**Review Transfer Date:**  
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**Subject:** DOMINICAN ELECTRIC CORPORATION EX-IM APPLICATION  
**TAGS:** ENRG, ETRD, DR  
**To:** STATE  
**Type:** TE  
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